



Service Credit and Voluntary Contributions

Working for America

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT



Message from the President

"I want to thank all of you for your hard work on behalf of the American people. They're counting on us now more than ever."

- George W. Bush



Message from the Director



“Public servants are paid by the American people... to serve the American people. My challenge to you is to serve them well.”

- Kay Coles James

General Information

- Forms used - SF 2803 & SF 3108
- Deposit - a payment for service for which no retirement deductions were withheld, plus interest
- Redeposit - a payment equaling refunded retirement deductions, plus interest



Help Us Help You

- Ensure the application is fully completed
- Provide earnings or days worked for intermittent service
- Provide tour of duty for part-time service
- Provide all salary rate changes
- Provide date deductions began
- Provide FERS election date



Things to Keep in Mind

- Agency estimates can prevent needless applications
- What most benefits your employee?
- Show periods of service for which the employee wishes to pay



Actuarial Reduction Example

For person age 58

Redeposit owed \div Age Factor = Reduction

$$\$6,425.00 \div 194.7 = \$33.00$$

Monthly annuity - \$33.00 = New Rate



How it all Works

- Applicant receives statement with billing options
- Payment should include CSD claim number and date of birth
- Send payments to:

OPM
Deposit/Redeposit Payment
PO Box 952015,
St. Louis, MO 63195-2015



Service Credit Periods

- Counsel employees about the effect of deposit or redeposit on an annuity
 - **Non-Deduction Service**
 - **Refunded Service**



Effect of Paid/Unpaid Deposit

Coverage/ Type of Service	CSRS		FERS		FERS w/CSRS Component	
	PAID	UNPAID	PAID	UNPAID	PAID	UNPAID
Pre 10/1/82 CSRS Non-deduction Service	Service is used for title to and computation of retirement benefits. No Reduction in annuity, however, it usually takes a retiree 10 or more years to recover the deposit in increased annuity payment.	Service is used for title to and computation of retirement benefits. A reduction to the annual annuity of 10% of the deposit amount.	Service is used for title to and computation of retirement benefits.	No credit for title or computation	Service is used for title to and computation of retirement benefits. No Reduction in annuity, however, it usually takes a retiree 10 or more years to recover the deposit in increased annuity payment.	Service is used for title to and computation of retirement benefits. A reduction to the annual annuity in the CSRS Component of 10% of the deposit amount.

Should I Pay my Deposit?

Coverage/ Type of Service	CSRS		FERS		FERS w/ CSRS Component	
	YES	NO	YES	NO	YES	NO
Pre 10/1/82 Non-deduction		✓	✓			✓



Effect of Paid/Unpaid Deposit

Coverage/ Type of Service	CSRS		FERS		FERS w/CSRS Component	
	PAID	UNPAID	PAID	UNPAID	PAID	UNPAID
Post 10/1/82 CSRS and/or FERS Non-deduction*	Service is used for title to and computation of retirement benefits. No Reduction in annuity. It usually takes a retiree less than 1 year to recover the deposit in increased annuity payments.	Service is used for title only.	Service is used for title to and computation of retirement benefits.	No credit for title or computation.	Service is used for title to and computation of retirement benefits. No Reduction in annuity. It usually takes a retiree less than 1 year to recover the deposit in increased annuity payments.	Service is used for title only.

Should I Pay my Deposit?

Coverage/ Type of Service	CSRS		FERS		FERS w/ CSRS Component	
	YES	NO	YES	NO	YES	NO
Post 10/1/82 Non-deduction	✓		✓*		✓	

*An employee can pay for FERS non-deduction service up to 12/31/88. Any FERS non-deduction service performed after that date is **not** creditable.



Effect of Paid/Unpaid Redeposit

Coverage/ Type of Service	CSRS		FERS		FERS w/CSRS Component	
	PAID	UNPAID	PAID	UNPAID	PAID	UNPAID
Pre 10/1/90 Refunded Service	Service is used for title to and computation of retirement benefits. No reduction in annuity, however, it usually takes a retiree 10 or more years to recover the <u>deposit in increased annuity payment.</u>	Service is used for title to and computation of retirement benefits. A reduction to the monthly annuity based on the age of the retiring employee and the amount of the redeposit.	Service is used for title to and computation of retirement benefits.	No credit for title or computation	Service is used for title to and computation of retirement benefits.	Service is used for title to and computation of retirement benefits. A reduction to the monthly annuity based on the age of the retiring employee and the amount of the redeposit.

NOTE: A FERS Employee can pay for refunded CSRS time that is not part of a component (i.e. less than 5 years of CSRS time). Service is billed as a deposit under FERS.

Should I Pay my Redeposit?

Coverage/ Type of Service	CSRS		FERS		FERS w/CSRS Component	
	YES	NO	YES	NO	YES	NO
Pre 10/1/90 Refunded		✓	✓			✓



Effect of Paid/Unpaid Redeposit

Coverage/ Type of Service	CSRS		FERS		FERS w/CSRS Component	
	PAID	UNPAID	PAID	UNPAID	PAID	UNPAID
Post 10/1/90 Refunded CSRS Service	Service is used for title to and computation of retirement benefits. No Reduction in annuity. It usually takes a retiree less than 3 years to recover the redeposit in increased annuity payments.	Service is used for title only.	NA**	NA**	Service is used for title to and computation of retirement benefits. No Reduction in annuity. It usually takes a retiree less than 3 years to recover the redeposit in increased annuity payments.	Service is used for title only.

Should I Pay my Redeposit?

Coverage/ Type of Service	CSRS		FERS		FERS w/ CSRS Component	
	YES	NO	YES	NO	YES	NO
Post 10/1/90 Refunded Service	✓		NA**	NA**	✓	

**A redeposit cannot be paid under FERS. Refunded FERS Service is not creditable for either title or credit.



Overview

Provide:

- **Intermittent and part-time tours of duty with earnings**
- **All pay/salary changes and ending dates of each period**
- **Date current deductions began and date of FERS elections**
- **Phone number, e-mail address, postal address**



Voluntary Contributions

- Applies to CSRS employees only
- Pay deposit or redeposit owed
- Use SF 2804 to apply
- Pay in a multiple of \$25.00
- Contribute up to 10% of lifetime Federal earnings



Refund of Voluntary Contributions - use RI 38-124 (for instructions refer to RI 38-125)

Voluntary Contributions Election

Before you make your election, please read all of the information in the Voluntary Contributions Notice (RI 38-125) and the Special Tax Notice Regarding Rollovers (RI 37-22). For more information about Voluntary Contributions or this election, call 1-888-828-9451.

Please print clearly when you provide the following information:

Your name	Date of birth (mm/dd/yyyy)
Your address	Daytime telephone number (including area code)
Your Voluntary Contributions Account Number	Your Social Security Number

VC

Date of Retirement or Separation (if applicable) _____

To receive a refund, please send this form to the Office of Personnel Management, Retirement Operations Center, PO Box 45, Boyers, PA 16017-0045, Attn: Refunds Section. If you are retiring, send this form at least 60 days before your separation date. If you are making payments via Pre-Authorized Debit (PAD), you should contact your financial institution to have the debits discontinued. To purchase additional annuity, return this form to your personnel office with your application for retirement.

1. Additional Annuity

I want to use my voluntary contributions (VC) to purchase additional annuity.

Please check one of the following options.

I do not want to provide a VC survivor annuity. I want to provide a VC survivor annuity for the person named below.

Name of person	His/Her date of birth
His/Her address	
His/Her Social Security Number	
His/Her relationship to you, if any	

Warning: Any intentionally false or willfully misleading response you provide in this election is a violation of the law and punishable by a fine of not more than \$10,000 or imprisonment of not more than 5 years or both. (18 USC 1001)

Signature	Date
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2. Send Me Additional Information After I Retire

I do not want to make an election at this time. I want the Office of Personnel Management (OPM) to send me information that is specific to my case. I understand this information will be sent after OPM receives my application for retirement.

Signature	Date
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(continued on the reverse)

3. Refund of Voluntary Contributions

The principle amount in the Voluntary Contributions account will be mailed to you at the address you provided on this election form. Also, you can elect to receive a refund of the interest or elect to roll over all or part of the interest.

Please check one of the following options.

- Pay my refund on the date I separate for retirement.
 Pay my refund as soon as possible.

Please check one of the following options.

I want to receive a refund of my Voluntary Contributions, plus interest. I understand that the interest will be subject to a 20% income tax withholding if it is more than \$200. To defer taxes I can roll the interest over within 60 days to an IRA account (or other qualified employer retirement plan) and apply for any excess tax withholding when I file my Federal income tax return.

I want _____ (enter "all", or a dollar amount at or above \$500) of the interest rolled over and made payable to the account shown in Part 4, with no tax withholding on the amount rolled over. I understand that any balance of the interest paid to me will be subject to 20% tax withholding. To defer taxes I can roll the interest over within 60 days to an IRA account (or other qualified employer retirement plan) and apply for any excess tax withholding when I file my Federal income tax return.

If you elected to roll the interest over, please check one of the following options.

- Send the interest payment directly to the account shown in Part 4.
 Send the interest payment to me, made payable to my account. I will deliver it to the account within 60 days.

Signature _____ Date _____

4. Certification by Financial Institution or Retirement Plan

Name of institution or retirement plan _____ IRA account number _____
 Address of institution or retirement plan _____

Certification: As a representative of the financial institution or plan named above, I confirm the account number for the individual named above and the address of the institution or retirement plan. I certify that the financial institution or plan named above agrees to receive funds from the individual and deposit them in an eligible IRA or retirement plan as defined in the Internal Revenue Code.

Typed or printed name of certifying representative _____
 Signature of certifying representative _____
 Telephone number (including area code) _____ Date of certification _____



Revision of RI 38-124

3. Refund of Voluntary Contributions

The principle amount in the Voluntary Contributions account will be mailed to you at the address you provided on this election form. Also, you can elect to receive a refund of the interest or elect to roll over all or part of the interest.

✓ Please check one of the following options. ←

Pay my refund on the date I separate for retirement.

Pay my refund as soon as possible.



Interest Rates 1948-2004

Before 1948	4.00%	1991	8.625%	1999	5.75%
1948 - 1984	3.00%	1992	8.125%	2000	5.875%
1985	13.00%	1993	7.125%	2001	6.375%
1986	11.125%	1994	6.250%	2002	5.50%
1987	9.00%	1995	7.00%	2003	5.00%
1988	8.375%	1996	6.875%	2004	3.875%
1989	9.125%	1997	6.875%	2005	TBD
1990	8.750	1998	6.75%	2006	TBD

STAPLE VOIDED CHECK HERE



through the use of Pre-Authorized Direct Payments, you can now make your payments to Service Credit and deposits to Voluntary Contribution to OPM automatically from your checking or savings account—without writing a check and mailing your payment. Each month or week (voluntary contributions only), we will deduct your payment from your bank account on the date you indicate. You will receive a receipt through the mail from OPM.

Office of Personnel Management (OPM) Authorization for Direct Payments

Please Check one: New Enrollment Change Enrollment Discontinue Pre-Authorized Direct Payment Service

I authorize U.S. Office of Personnel Management (OPM), hereinafter called OPM, to initiate debit entries to my Checking Savings account (select one) indicated below at the depository financial institution named below, hereinafter called DEPOSITORY, and to debit the same to such account.

(Name)

(Address) _____ (Street) _____ (City) _____ (State) _____ (Zip) _____
(Telephone number) _____
(Name of your financial institution) _____ (Branch) _____
_____ (State) _____ (Zip) _____ (Routing Number) _____
(Checking Account Number) _____ (Savings Account Number) _____

Please indicate Payment Type

Service Credit (\$50.00 Minimum Payment Amount)
Claim # _____ Date of Birth _____ Payment Amount _____
Payment Due Date (Monthly Payments Only) _____ Final Payment Date (if applicable) _____

Voluntary Contribution (must be multiples of \$25.00)
Account # _____ Date of birth _____ Payment Amount _____
Frequency of Payments: Weekly (Every Friday) Monthly-Payment Due Date

This authorization is to remain in full force and effect until OPM has received written notification from me of its termination in such time and in such manner as to afford OPM and DEPOSITORY a reasonable opportunity to act on it. I may revoke my authorization at any time by providing written notification via a letter or by completing an Authorization for Direct Payments Form provided by OPM and selecting "Delete" enrollment. The letter or Authorization Form must be mailed to the address below.

Signature _____ (Date) _____

Complete and mail to United States Office of Personnel Management
Direct Payment Program
P.O. Box 958241
St. Louis, MO 63195-8241

If you have any questions or need assistance, please contact Office of Personnel Management number at: 1-202-606-0706.

Any changes to the bank account, payment amount, or payment due date must be received using this Authorization Form at least 14 days before the regularly scheduled payment date.

PLEASE KEEP THE BOTTOM COPY OF THIS FORM FOR YOUR RECORDS. RETURN TOP TWO COPIES.

For OPM Depository Use Only
Date Processed
Processed By
First Scheduled Payment Date

Authorization for Direct Payments

Used for both Service Credit and Voluntary Contribution Accounts



Contact Information

For more information,
visit us on the web at

www.opm.gov

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